ı	PART C – Decision under Appeal
r c a t	The decision under appeal is the Ministry of Social Development and Social Innovation ("ministry") reconsideration decision dated July 18, 2016 in which the ministry found the appellant ineligible for disability assistance ("DA") for July 2016 because the appellant received financial assistance from another province in excess of her DA rate as calculated under section 9 and Schedules A and B of the Employment and Assistance for Persons with Disabilities Regulation ("EAPWDR"). The ministry found that financial assistance from another province meets the definition of unearned income under section 1 of the EAPWDR and that no exclusions apply under Schedule B.
l	PART D – Relevant Legislation
	Employment and Assistance Regulation - EAPWDR - sections 1, 9, and 24, Schedule A sections 1, 2 and 4, and Schedule B sections 1, 3, 6 and 7

PART E – Summary of Facts

The evidence before the ministry at reconsideration consisted of the following:

- **1.** A Request for Reconsideration ("RFR") signed by the appellant on July 13, 2016 with attached submission providing the following information:
 - The appellant is designated as a Person with Disabilities ("PWD") under the *Employment and Assistance for Persons with Disabilities Act*.
 - On May 28, 2016, she gave notice to her landlord, at her address in another province ("Province A"), indicating that she would be vacating the residence at the end of June 2016.
 On or around this date, she also informed the income assistance program in Province A that she would be moving to British Columbia ("BC") by the end of June 2016.
 - The appellant arrived in BC on June 21, 2016, and on June 24th she applied for DA for the month of July 2016.
 - On June 28, 2016, the income assistance program in Province A deposited \$248.94 to the appellant's bank account for July assistance. On or around this date, the program in Province A also paid \$750 to the appellant's former landlord in that province.
 - On July 5, 2016, Province A confirmed that the appellant's July assistance of \$998.94 had been issued on June 28, 2016.
 - The ministry made its original decision on July 11, 2016, determining that the appellant was ineligible for DA for July 2016 due to "excess income": \$248.94 support allowance and \$750 shelter costs.
- 2. Information from the ministry record indicating the appellant stated she was not aware that Province A had deposited July support to her bank account and issued the shelter funds directly to her previous landlord on June 28, 2016. Once she became aware of these circumstances she informed the ministry that "shelter funds had been issued directly to her old landlord who would not return the funds."
- **3.** A ministry *Integrated Case Management Decision Report* dated July 11, 2016 indicating that the appellant is designated as a PWD; her net income is unearned income in the amount of \$998.94; she has zero earned income; and the pro-rated rate of DA for her first month of eligibility is \$479.99 comprised of a support allowance (no shelter funds).

Additional submissions

In her Notice of Appeal dated July 21, 2016, the appellant indicated that she has an advocate. She attended the hearing with the advocate who provided argument on her behalf. The panel will consider the arguments of both parties in *Part F - Reasons for Panel Decision*.

The advocate stated that the facts are not in dispute: the appellant returned to BC on June 21, 2016 and acknowledges that she received \$248.94 support from Province A, and that \$750 was paid to her former landlord but she is not sure of the date. The advocate stated that they found out a few days ago that Province A is demanding repayment of the assistance the appellant received at the end of June and her GST and other tax credits will be clawed back as repayment.

In response to questions, the appellant explained that when she spoke to her case worker in Province A, the worker said that the landlord was to return the cheque, "just in case any money went out

before the system got updated." The appellant believes the worker may have sent a letter to the landlord. She also reports that instead of returning the cheque to Province A, the landlord cashed it and re-rented the home before July 1, 2016.
The ministry reviewed the reconsideration decision and explained, in response to questions, that when a person moves from another province and applies for income assistance it is common practice for the ministry to determine whether the applicant received assistance from the other jurisdiction as well as funds from other sources. In order to determine income and asset, the ministry obtains information from the applicant and from the other jurisdiction and the ministry is looking at the receipt of funds and not whether the file in the other jurisdiction was closed.
With the exception of the information on the repayment of assistance to Province A, the panel finds that the oral testimony corroborates the information in the reconsideration record by providing additional detail regarding the amounts paid by Province A, the appellant's notice that she was moving, and the ministry's process in determining an applicant's income and assets. The panel therefore admits that testimony under section 22(4)(b) of the <i>Employment and Assistance Act</i> ("EAA") as evidence in support of the information and records that were before the minister at the time the decision being appealed was made.
The panel finds that the evidence on the repayment requirement is new information that does not substantiate or corroborate the information that was before the minister regarding the assistance that was paid by Province A. Accordingly, the panel does not admit the repayment information as it does meet the test for admissibility of evidence under section 22(4)(b) of the EAA.

PART F – Reasons for Panel Decision

The issue to be decided is whether the ministry's reconsideration decision of July 18, 2016 was reasonably supported by the evidence or was a reasonable application of the applicable enactment in the circumstances of the appellant. The ministry determined the appellant was not eligible for DA for July 2016 because she received financial assistance from another province in excess of her DA rate pursuant to section 9 and Schedules A and B of the EAPWDR, and that assistance is considered unearned income under section 1 of the Regulation.

The relevant sections of the legislation are as follows:

Employment and Assistance for Persons with Disabilities Regulation

Definitions

1(1) In this regulation:

"unearned income" means

"unearned income" means any income that is not earned income, and includes, without limitation, money or value received from any of the following:

(i) financial assistance provided under the Employment and Assistance Act or provided by another province or jurisdiction;

Limits on Income

9 (2) A family unit is not eligible for disability assistance if the net income of the family unit determined under Schedule B equals or exceeds the amount of disability assistance determined under Schedule A for a family unit matching that family unit.

Amount of disability assistance

- **24** Disability assistance may be provided to or for a family unit, for a calendar month, in an amount that is not more than
- (a) the amount determined under Schedule A, minus
- (b) the family unit's net income determined under Schedule B.

Schedule A Disability Assistance Rates

Maximum amount of disability assistance before deduction of net income

- 1 (1) Subject to this section and section 3 and 6 to 10 of this Schedule, the amount of disability assistance referred to in section 24(a) [amount of disability assistance] of this regulation is the sum of
- (a) the monthly support allowance under section 2 of this Schedule for a family unit matching the family unit of the applicant or recipient, plus
- (b) the shelter allowance calculated under sections 4 and 5 of this Schedule.

Monthly support allowance

- 2 (1) A monthly support allowance for the purpose of section 1 (a) is the sum of
- (a) the amount set out in Column 3 of the following table for a family unit described in Column 1 of an applicant or a recipient described in Column 2, plus
- (b) the amount calculated in accordance with subsections (2) to (4) for each dependent child in the family unit.

Item	Family unit composition	Age or status of applicant or recipient	Amount of support
1	Sole applicant/recipient and no dependent children	Applicant/recipient is under 65 years of age	\$531.42

Monthly shelter allowance

- **4** (2) The monthly shelter allowance for a family unit to which section 14.2 of the Act does not apply is the smaller of
- (a) the family unit's actual shelter costs, and
- (b) the maximum set out in the following table for the applicable family size:

Item	Family Unit Size	Maximum Monthly Shelter
1	1 person	\$375

Schedule B Net Income Calculation

Deduction and Exemption Rules

- 1 When calculating the net income of a family unit for the purposes of section 24 (b) [amount of disability assistance] of this regulation,
- (a) the following are exempt from income:
- (i) any income earned by a dependent child attending school on a full-time basis;
- (ii) the basic family care rate paid in respect of a child in care;
- (iii) Repealed. [B.C. Reg. 48/2010, Sch. 1, s. 2 (c).]
- (iv) a family bonus, except the portion treated as unearned income under section 10 (1) of this Schedule:
- (v) the basic child tax benefit;
- (vi) a goods and services tax credit under the *Income Tax Act* (Canada);
- (vii) a tax credit under section 8 [refundable sales tax credit], 8.1 [low income climate action tax credit] or 8.2 [BC harmonized sales tax credit] of the Income Tax Act (British Columbia);
- (viii) individual redress payments granted by the government of Canada to a person of Japanese ancestry;
- (ix) individual payments granted by the government of Canada under the Extraordinary Assistance Plan to a person infected by the human immunodeficiency virus;
- (x) individual payments granted by the government of British Columbia to a person infected by the human immunodeficiency virus or to the surviving spouse or dependent children of that person;
- (xi) individual payments granted by the government of Canada under the Extraordinary Assistance Plan to thalidomide victims;
- (xii) money that is
- (A) paid or payable to a person if the money is awarded to the person by an adjudicative panel in respect of claims of abuse at Jericho Hill School for the Deaf and drawn from a lump sum settlement paid by the government of British Columbia, or
- (B) paid or payable to or for a person if the payment is in accordance with the settlement agreement approved by the Supreme Court in Action No. C980463, Vancouver Registry;
- (xiii) the BC earned income benefit:
- (xiv) money paid or payable under the 1986-1990 Hepatitis C Settlement Agreement made June 15, 1999, except money paid or payable under section 4.02 or 6.01 of Schedule A or of Schedule B of that agreement;
- (xv) a rent subsidy provided by the provincial government, or by a council, board, society or governmental agency that administers rent subsidies from the provincial government;
- (xvi) Repealed. [B.C. Reg. 197/2012, Sch. 2, s. 11 (a).]
- (xvii) money paid or payable to a person in settlement of a claim of abuse at an Indian residential school, except money paid or payable as income replacement in the settlement;
- (xviii) post adoption assistance payments provided under section 28 (1) or 30.1 of the Adoption Regulation, B.C. Reg. 291/96;

- (xix) a rebate of energy or fuel tax provided by the government of Canada, the government of British Columbia, or an agency of either government;
- (xx) money paid by the government of British Columbia, under a written agreement, to a person with disabilities or to a trustee for the benefit of a person with disabilities to enable the person with disabilities to live in the community instead of in an institution;
- (xxi) Repealed. [B.C. Reg. 85/2012, Sch. 2, s. 7.]
- (xxii) payments granted by the government of British Columbia under section 8 [agreement with child's kin and others] of the Child, Family and Community Service Act;
- (xxiii) payments granted by the government of British Columbia under the Ministry of Children and Family Development's At Home Program;
- (xxiv) Repealed. [B.C. Reg. 85/2012, Sch. 2, s. 7.]
- (xxv) payments granted by the government of British Columbia under an agreement referred to in section 93 (1) (g) (ii) of the *Child, Family and Community Service Act*, for contributions to the support of a child;

(xxvi) a loan that is

- (A) not greater than the amount contemplated by the recipient's business plan, accepted by the minister under section 70.1 of this regulation, and
- (B) received and used for the purposes set out in the business plan;
- (xxvii) payments granted by the government of British Columbia under the Ministry of Children and Family Development's
- (A) Autism Funding: Under Age 6 Program, or
- (B) Autism Funding: Ages 6 18 Program;
- (xxviii) Repealed. [B.C. Reg. 148/2015, App. 2, s. 1 (a).]
- (xxix) payments made by a health authority or a contractor of a health authority to a recipient, who is a "person with a mental disorder" as defined in section 1 of the *Mental Health Act*, for the purpose of supporting the recipient in participating in a volunteer program or in a mental health or addictions rehabilitation program;
- (xxx) a refund provided under Plan I as established under the Drug Plans Regulation;
- (xxxi) payments provided by Community Living BC to assist with travel expenses for a recipient in the family unit to attend a self-help skills program, or a supported work placement program, approved by Community Living BC;
- (xxxii) a Universal Child Care Benefit provided under the Universal Child Care Benefit Act (Canada);
- (xxxiii) money paid by the government of Canada, under a settlement agreement, to persons who contracted Hepatitis C by receiving blood or blood products in Canada prior to 1986 or after July 1, 1990, except money paid under that agreement as income replacement;
- (xxxiv) money withdrawn from a registered disability savings plan;
- (xxxv) a working income tax benefit provided under the *Income Tax Act* (Canada);
- (xxxvi) Repealed. [B.C. Reg. 180/2010, s. 2 (b).]
- (xxxvii) the climate action dividend under section 13.02 of the Income Tax Act,
- (xxxviii) money paid or payable to a person under the *Criminal Injury Compensation Act* as compensation for non-pecuniary loss or damage for pain, suffering mental or emotional trauma, humiliation or inconvenience that occurred when the person was under 19 years of age;

(xxxix) money that is paid or payable to or for a person if the payment is in accordance with the settlement agreement approved by the Supreme Court in Action No. S024338, Vancouver Registry;

- (xl) payments granted by the government of British Columbia under the Ministry of Children and Family Development's Family Support Services program;
- (xli) payments granted by the government of British Columbia under the Ministry of Children and Family Development's Supported Child Development program;
- (xlii) payments granted by the government of British Columbia under the Ministry of Children and Family Development's Aboriginal Supported Child Development program;
- (xliii) money paid or payable from a fund that is established by the government of British Columbia, the government of Canada and the City of Vancouver in relation to recommendation 3.2 of the final report of the Missing Women Commission of Inquiry;
- (xliv) payments granted by the government of British Columbia under the Temporary Education Support for Parents program;
- (xlv) a BC early childhood tax benefit;
- (xlvi) child support;
- (xlvii) orphan's benefits under the Canada Pension Plan Act (Canada);
- (xlviii) money or other value received, by will or as the result of intestacy, from the estate of a deceased person;

(xlix) gifts;

- (I) education and training allowances, grants, bursaries or scholarships, other than student financial assistance:
- (li) money withdrawn from a registered education savings plan;
- (lii) compensation paid or payable under section 17 [compensation in fatal cases] or 18 [addition to payments] of the Workers Compensation Act to a dependant, as defined in section 1 of that Act, who is a child, as defined in section 17 of that Act,
- (b) any amount garnished, attached, seized, deducted or set off from income is considered to be income, except the deductions permitted under sections 2 and 6,
- (c) all earned income must be included, except the deductions permitted under section 2 and any earned income exempted under sections 3 and 4, and
- (d) all unearned income must be included, except the deductions permitted under section 6 and any income exempted under sections 7 and 8.

Annual exemption - qualifying income

3 (1) In this section:

"qualifying income" means

- (a) earned income, except the deductions permitted under section 2, and
- (b) unearned income that is compensation paid under section 29 or 30 of the Workers Compensation Act;

- (2) For the purposes of section 1 (c) and (d), the lesser of the following amounts is exempt income of a family unit for a qualifying month:
- (a) the qualifying income of the family unit for the qualifying month;
- (b) the exemption limit of the family unit for the qualifying month calculated in accordance with subsection (3).

Deductions from unearned income

- **6** The only deductions permitted from unearned income are the following:
- (a) any income tax deducted at source from employment insurance benefits;
- (b) essential operating costs of renting self-contained suites.

Exemptions — unearned income

- **7** (1) The following unearned income is exempt:
- (a) the portion of interest from a mortgage on, or agreement for sale of, the family unit's previous place of residence if the interest is required for the amount owing on the purchase or rental of the family unit's current place of residence;
- (b) \$50 of each monthly Federal Department of Veterans Affairs benefits paid to any person in the family unit;
- (c) a criminal injury compensation award or other award, except the amount that would cause the family unit's assets to exceed, at the time the award is received, the limit applicable under section 10 [asset limits] of this regulation;(d) a payment made from a trust to or on behalf of a person referred to in section 12 (1) [assets held in trust for person with disabilities] of this regulation if the payment is applied exclusively to or used exclusively for
- (i) disability-related costs,
- (ii) the acquisition of a family unit's place of residence,
- (iii) a registered education savings plan, or
- (iv) a registered disability savings plan;
- (d.1) subject to subsection (2), a structured settlement annuity payment...
- (d.2) money expended by a person referred to in section 12.1 (2) [temporary exemption of assets for person with disabilities or person receiving special care].

- (d.3) any of the following if applied exclusively to or used exclusively for disability-related costs to promote independence:
- (e) the portion of Canada Pension Plan Benefits that is calculated by...
- (f) a tax refund.

Analysis

Appellant's position

At the hearing, the appellant clarified that she is not contesting the ministry's treatment of the July support funds from Province A as she acknowledges receiving the funds in her bank account at the end of June 2016. She agrees that the support allowance meets the definition of unearned income under the Regulation and there are no deductions that can exempt it from being considered in the calculation of her income. At issue is the \$750 rent that was paid directly to her former landlord. The appellant argues that this allowance from Province A does not meet the definition of unearned income in section 1 of the EAPWDR. She is requesting that the ministry issue her support of \$282.48 [the balance of her DA for July 2016 after deducting the support allowance she received from Province A].

In her RFR, the appellant submits that the legislation "clearly emphasizes language around amounts received as actually received at numerous points in the Regulation." She argues that for the purpose of calculating benefits under the EAPWDR, "the minister has no legislated authority to deem rent paid to a landlord in another province for a non-current residence as income or value received." At the hearing, the advocate argued that the ministry unreasonably applied section 1 of the Regulation in light of the facts. The advocate notes that \$750 rent was paid directly to the landlord and not to the appellant and, therefore, the rent paid by Province A cannot be considered as *money or value received* and hence does not meet the definition of unearned income under section 1(1) of the EAPWDR.

The advocate read the definition of *value* from *Black's Law Dictionary*, 2nd edition which distinguishes *value in use* versus *value in exchange*. He argued that this definition captures the plain meaning of *value* and the appellant received no *value in use* as she was not resident in Province A and could not benefit from the funds, nor did she receive any *value in exchange* as she had no control over the payment of the funds to her former landlord. The advocate also read an excerpt from the ministry's policy manual for frontline workers which states that staff "translate BC income assistance legislation, regulations, and policies into practice." The advocate argues that the role of the ministry and purpose and intent of the legislation is to "address basic needs as a last resort program" and that the ministry's determination that the rent allowance is unearned income is based on their opinion [as stated on page 2 of the reconsideration decision, *In the opinion of the minister...*] rather than common sense statutory interpretation.

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The advocate submits that the ministry's decision has put a great deal of strain on the appellant. The appellant elaborated on the impact of "losing July benefits from both Province A and BC", funds that she needs in order to pay for her medications. In addition, she was on the streets, had to stay wherever she could and face being kicked out, and has been subjected to "vile and disgusting things that she should never have to live through." She further submits that the ministry's decision is unfair because she received nothing from Province A now that they are clawing back the assistance that was paid.

Ministry's position

In the reconsideration decision, the ministry argues that even though the appellant did not receive the rent allowance directly from Province A, she did "receive a value for the funds" that were issued as her shelter allowance and consequently the funds are considered to have been received pursuant to section 1(1) of the Regulation. The ministry notes that section 1(1)(i) of the EAPWDR defines financial assistance provided by another jurisdiction as unearned income. The ministry submits that the funds issued by Province A are therefore treated as such. The ministry further submits that the amount of income received from Province A is \$998.94 (support and shelter allowances) and as this amount exceeds the BC support allowance of \$531.42, the appellant is not eligible for July 2016 DA.

When asked at the hearing, what value does the ministry think the appellant received, the ministry stated that "the rent money was sent to the landlord on the appellant's behalf and that is why she received a value." While the ministry empathizes with the appellant's circumstances and "feels bad for the situation", the ministry submits that it can only go by what the legislation says and there is no discretion or "wiggle room" in the Regulation to not treat financial assistance from another province as unearned income. The ministry argues that the decision is supported by the legislation, stating that "no interpretation is needed because the Regulation is clear in section 1(1)(i) that unearned income includes, without limitation, financial assistance provided by another province." The ministry added that it does not have the authority to rewrite the legislation to change the definition of unearned income.

Panel's decision

The panel was split in its decision, with two members finding that the ministry's reconsideration decision was a reasonable application of the EAPWDR, and one panel member finding that the ministry unreasonably determined that the rent money from Province A meets the definition of unearned income in section 1 of the Regulation. The following is the *Reasons for Decision* on behalf of the panel majority. The dissenting opinion is attached as a separate document.

The panel notes that notwithstanding the new information that Province A is requiring repayment of assistance [which was not before the minister at reconsideration], the appellant does not dispute that she received unearned income of \$248.49 from Province A. The ministry, in its decision, accepts the appellant's acknowledgement that she received those funds. The panel's primary focus will be on the ministry's treatment of the \$750 rent allowance in light of the information that was before the minister when it made the reconsideration decision.

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Under sections 1(1) and 1(1)(i) of the EAPWDR, unearned income "includes, without limitation, money or value received" from various sources including "(i) financial assistance provided...by another province or jurisdiction." The evidence before the minister at the reconsideration is that Province A confirmed on July 5, 2016 that the appellant's July 2016 assistance of \$998.94 (\$248.94 support plus \$750 shelter) had been issued on June 28, 2016. In the reconsideration decision, the ministry states that the appellant informed the ministry that the shelter funds had been issued directly to her former landlord who would not return the funds.

The appellant argues that the rent allowance should not be treated as unearned income because she did not receive a value as described in section 1(1) of the EAPWDR. She wonders how can she receive a value from the shelter allowance when she was not living in the residence to benefit from the rent that was paid on her behalf? She argues that the ministry's role is to "translate" legislation and policies rather than impose its opinion. Despite these arguments, the panel cannot find that the ministry's decision is unreasonable based on the evidence before it. The panel notes that there is a conflict of fact regarding the notification the appellant submits she gave to Province A regarding her move. The appellant stated at the hearing that she gave notice to her landlord that she was moving on May 28, 2016 and informed Province A "on or around the same date." She is therefore submitting that Province A issued her IA despite her notifying them that she was moving. However, the appellant did not have any records of the notice she gave to the landlord or to Province A, and she could not confirm the date that she notified Province A.

The ministry's evidence is that Province A confirmed that the appellant's July IA had been issued. The information that Province A gave the ministry does not include any information around notification. Section 1 of the EAPWDR sets out that unearned income includes either money or value and, by implication, this wording addresses situations where funds are paid on a client's behalf rather than directly to the client. Had there been documents confirming the notification the appellant submits she gave to Province A, including a copy of the letter she said they sent to her former landlord, the panel may be justified in finding that the ministry was unreasonable in concluding that she received value for the shelter allowance that was paid directly to the landlord.

In the appellant's circumstances, however, the evidence before the minister and the panel does not confirm that Province A had sufficient notice that she was moving but made an error by issuing IA anyway. It does not make sense to the panel that Province A would issue IA for July 2016 when the appellant had given them (as she submits) a full month's notice that she was moving. While the panel sympathizes with the unfortunate circumstances the appellant finds herself in without July assistance from the ministry, there is insufficient evidence to confirm that she did not receive value for the rent that was issued in accordance with section 1 of the EAPWDR. At the time that the ministry was interpreting the Regulation, the only confirmation it had from Province A is that the shelter allowance had been paid on the appellant's behalf as part of her assistance entitlement and was therefore intended for her benefit.

While the appellant argues that the ministry's decision is unfair and has caused her a great deal of strain, the standard that the panel must use in assessing the decision is that of reasonableness. Although the decision has unfortunate consequences for the appellant, the panel finds that the ministry's application of the EAPWDR is reasonably supported by the facts that were before the minister at reconsideration. In addition, the panel finds that the ministry reasonably determined the appellant is not eligible for DA for July 2016 because she had unearned income in excess of her DA

rate and her unearned income cannot be excluded from the net income calculation under the EAPWDR. Section 9(2) of the EAPWDR states that a family unit is not eligible for DA where their net income as determined under Schedule B exceeds the assistance rate for their family unit as determined under Schedule A.

As noted by the ministry, section 24 of the EAPWDR sets out the calculation for the amount of assistance the client is eligible to receive; i.e., their income as determined under Schedule B is subtracted from their maximum support/shelter entitlement under Schedule A. Sections 2 and 4 of Schedule A set the appellant's maximum entitlement for DA at \$906.42 per month (\$531.42 support plus \$375 shelter). The ministry notes that as the appellant does not currently have shelter costs, her DA is limited to the support portion.

Section 1 of Schedule B provides further detail regarding the calculation of net income, listing various benefits and payments in section 1(a) that are exempt from consideration as income. The panel notes that financial assistance from another province is not included in this list. Further, as noted by the ministry, financial assistance from another province is not listed in sections 1, 3, 6, and 7 of Schedule B as a type of unearned income that may be excluded from the calculation of net income.

On the basis of the calculation set out in these sections and the absence of any exemption or exclusion for financial assistance provided by another province, the panel finds that the ministry reasonably determined the appellant is not eligible for DA for the month of July 2016 because her unearned income of \$998.94 exceeds the \$531.42 assistance rate for her family unit as set out in Schedule A. The panel therefore finds that the ministry reasonably applied section 9(2) of the EAPWDR.

Conclusion

The panel finds that the ministry's decision finding the appellant ineligible for July 2016 DA because she had unearned income in excess of her DA entitlement was a reasonable application of the EAPWDR in the circumstances of the appellant. The panel confirms the ministry's reconsideration decision under sections 24(1)(b) and 24(2)(a) of the *Employment and Assistance Act*.